

SENATE, No. 2458

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JULY 14, 2016

Sponsored by:

Senator JENNIFER BECK

District 11 (Monmouth)

SYNOPSIS

Providing gross income tax exclusion for awards for unlawful gender-based compensation discrimination.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a gross income tax exclusion for certain claims
2 and awards in connection with certain unlawful gender-based
3 compensation discrimination, supplementing Title 54A of the
4 New Jersey Statutes.

5
6 BE IT ENACTED by the Senate and General Assembly of the State
7 of New Jersey:

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9 1. a. Gross income shall not include amounts received by a
10 taxpayer for an informal claim or legal action, whether by suit or
11 agreement, and whether as a lump sum or periodic payment, for
12 unlawful gender-based discrimination in compensation or in terms,
13 conditions, or privileges of employment

14 b. As used in this section, “unlawful gender-based
15 discrimination in compensation or in terms, conditions, or
16 privileges of employment” means an act that is unlawful
17 discrimination in compensation or in terms, conditions, or
18 privileges of employment on the basis of gender under a provision
19 of federal, state, or local law, or common law:

20 (1) providing for the enforcement of civil rights, or

21 (2) regulating any aspect of the employment relationship,
22 including claims for wages, severance, overtime, compensation,
23 breach of contract, or benefits, or prohibiting the discharge of an
24 employee.

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26 2. This act shall take effect immediately and apply to taxable
27 years beginning after its date of enactment.

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30 STATEMENT

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32 This bill provides the victim of gender-based wage
33 discrimination a gross income tax exclusion for any awards or
34 settlements he may receive, to prevent a second mistreatment by the
35 tax system.

36 A “successful” victim of unlawful gender discrimination in
37 compensation or in terms, conditions, or privileges of employment
38 who has brought a claim to trial or settlement agreement may
39 receive an award or settlement to compensate for a period of under-
40 compensation, only to discover that the lump sum payment has
41 pushed her into a higher tax bracket and an increased tax bill.

42 This bill provides a gross income tax exclusion for awards and
43 settlements for gender-based discrimination in compensation or in
44 terms, conditions, or privileges of employment.